# Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of	)	
	)	
Federal-State Joint Board on	)	
Universal Service	)	CC Docket No. 96-45
	)	
Public Service Cellular, Inc.	)	
Petition for Designation as an	)	
Eligible Telecommunications Carrier	)	
in the States of Georgia and Alabama	)	

#### **ORDER**

Adopted: January 28, 2005 Released: January 31, 2005

By the Chief, Wireline Competition Bureau:

#### I. INTRODUCTION

- 1. In this Order, we grant the petition of Public Service Cellular, Inc. ("PSC") to be designated as an eligible telecommunications carrier ("ETC") in portions of its licensed service area in the states of Georgia and Alabama pursuant to section 214(e)(6) of the Communications Act of 1934, as amended (the "Act"). In so doing, we conclude that PSC, a commercial mobile radio service ("CMRS") carrier, has satisfied the statutory eligibility requirements of section 214(e)(1).
- 2. PSC requests ETC designation for a service area in Georgia that is within the study areas of one non-rural telephone company, BellSouth Telecommunications, Inc. ("BellSouth") and the rural telephone companies Georgia ALLTEL Telcomm, Inc. and ALLTEL Georgia Communication Corp. (collectively, "ALLTEL"), and the entire study area of Public Service Telephone Company ("PSTC"), a rural telephone company that is an affiliate of PSC. PSC requests ETC designation for a service area in Alabama that is within the study areas of two non-rural telephone companies, BellSouth and CenturyTel of Alabama, LLC ("CenturyTel").
- 3. PSC initially requested that the Commission redefine the three ALLTEL service areas in Georgia, below the wire center level. PSC amended this request to (1) eliminate entirely one ALLTEL study area, ALLTEL Georgia, Inc.; (2) revise the proposed designation area of the remaining two ALLTEL service areas to eliminate all partial wire centers from the request; and (3) delete several wire centers entirely. Thus, as amended, PSC's petition does not request a redefinition for partial wire centers for the Georgia rural service areas at issue.<sup>3</sup>

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<sup>&</sup>lt;sup>1</sup> Public Service Cellular, Inc., Petition for Designation as an Eligible Telecommunications Carrier in the State of Georgia (Sept. 24, 2003) ("PSC Georgia Petition"); Public Service Cellular, Inc., Petition for Designation as an Eligible Telecommunications Carrier in the State of Alabama (Sept. 12, 2003) ("PSC Alabama Petition").

<sup>&</sup>lt;sup>2</sup> 47 U.S.C. § 214(e)(1).

<sup>&</sup>lt;sup>3</sup> See First Georgia Supplement at Exhibit A.

4. We also propose to redefine the ALLTEL service areas in Georgia, *i.e.*, Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications Corp., subject to agreement by the Georgia Public Service Commission does not agree to the proposal to redefine the affected service areas, we will reexamine our decision with regard to redefining these service areas.

#### II. BACKGROUND

#### A. The Act

- 5. Section 254(e) of the Act provides that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support." Pursuant to section 214(e)(1), a common carrier designated as an ETC must offer and advertise the services supported by the federal universal service mechanisms throughout the designated service area.<sup>5</sup>
- 6. Section 214(e)(2) of the Act gives state commissions the primary responsibility for performing ETC designations. Section 214(e)(6) directs the Commission, upon request, to designate as an ETC "a common carrier providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission." Under section 214(e)(6), the Commission may, with respect to an area served by a rural telephone company, and shall, in all other cases, designate more than one common carrier as an ETC for a designated service area, consistent with the public interest, convenience, and necessity, so long as the requesting carrier meets the requirements of section 214(e)(1). Before designating an additional ETC for an area served by a rural telephone company, the Commission must determine that the designation is in the public interest. The Wireline Competition Bureau ("Bureau") has delegated authority to perform ETC designations.

#### B. Commission Requirements for ETC Designation

7. An ETC petition must contain the following: (1) a certification and brief statement of supporting facts demonstrating that the petitioner is "not subject to the jurisdiction of a state commission"; (2) a certification that the petitioner offers all services designated for support by the Commission pursuant to section 254(c); (3) a certification that the petitioner offers the supported services "either using its own facilities or a combination of its own facilities and resale of another carrier's services"; (4) a description of how the petitioner "advertise[s] the availability of the [supported] services

<sup>&</sup>lt;sup>4</sup> 47 U.S.C. § 254(e).

<sup>&</sup>lt;sup>5</sup> 47 U.S.C. § 214(e)(1).

<sup>&</sup>lt;sup>6</sup> 47 U.S.C. § 214(e)(2). See also Federal-State Joint Board on Universal Service, Promoting Deployment and Subscribership in Unserved Areas, Including Tribal and Insular Areas, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12255, ¶ 93 (2000) ("Twelfth Report and Order").

<sup>&</sup>lt;sup>7</sup> 47 U.S.C. § 214(e)(6). See, e.g., Federal-State Joint Board on Universal Service, Western Wireless Corporation Petition for Designation as an Eligible Telecommunications Carrier for the Pine Ridge Reservation in South Dakota, CC Docket No. 96-45, Memorandum Opinion and Order, 16 FCC Rcd 18133 (2001).

<sup>&</sup>lt;sup>8</sup> 47 U.S.C. § 214(e)(6).

<sup>&</sup>lt;sup>9</sup> *Id*.

<sup>&</sup>lt;sup>10</sup> See "Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act," Public Notice, 12 FCC Rcd 22947, 22948 (1997) ("Section 214(e)(6) Public Notice"). The Wireline Competition Bureau was previously named the Common Carrier Bureau.

and the charges therefor using media of general distribution"; and (5) if the petitioner is not a rural telephone company, a detailed description of the geographic service area for which it requests an ETC designation from the Commission.<sup>11</sup>

- 8. On June 30, 2000, the Commission released the *Twelfth Report and Order* which, among other things, set forth how a carrier seeking ETC designation from the Commission must demonstrate that the state commission lacks jurisdiction to perform the ETC designation.<sup>12</sup> Carriers seeking designation as an ETC for service provided on non-tribal lands must provide the Commission with an "affirmative statement" from the state commission or a court of competent jurisdiction that the carrier is not subject to the state commission's jurisdiction.<sup>13</sup> The requirement to provide an "affirmative statement" ensures that the state commission has had "a specific opportunity to address and resolve issues involving a state commission's authority under state law to regulate certain carriers or classes of carriers."<sup>14</sup>
- 9. On January 22, 2004, the Commission released the *Virginia Cellular Order*, which granted in part and denied in part the petition of Virginia Cellular, LLC ("Virginia Cellular") to be designated as an ETC throughout its licensed service area in the Commonwealth of Virginia.<sup>15</sup> In that Order, the Commission utilized a new public interest analysis for ETC designations and imposed ongoing conditions and reporting requirements for Virginia Cellular.<sup>16</sup> The Commission stated that the framework enunciated in the *Virginia Cellular Order* would apply to all ETC designations for rural areas pending further action by the Commission.<sup>17</sup>
- 10. Following the framework established in the *Virginia Cellular Order*, the Commission released the *Highland Cellular Order*, which granted in part and denied in part the petition of Highland Cellular, Inc. to be designated an ETC in portions of its licensed service area in the Commonwealth of Virginia. In the *Highland Cellular Order*, the Commission concluded, among other things, that a telephone company in a rural study area may not be designated as a competitive ETC below the wire center level. 19

#### C. PSC Petitions

11. Pursuant to section 214(e)(6), PSC filed with this Commission a petition seeking designation as an ETC in study areas served by rural and non-rural incumbent local exchange carriers ("LECs") throughout its licensed service area in the state of Georgia and by non-rural incumbent LECs in the state

<sup>&</sup>lt;sup>11</sup> See Section 214(e)(6) Public Notice, 12 FCC Rcd at 22948-49.

<sup>&</sup>lt;sup>12</sup> *Twelfth Report and Order*, 15 FCC Rcd at 12263-65, ¶¶ 112-24.

<sup>&</sup>lt;sup>13</sup> *Id.* at 12264, ¶ 113.

<sup>&</sup>lt;sup>14</sup> *Id.* (citations omitted).

<sup>&</sup>lt;sup>15</sup> Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563 (2004) ("Virginia Cellular Order").

<sup>&</sup>lt;sup>16</sup> See Virginia Cellular Order, 19 FCC Rcd at 1575-76, 1584-85, ¶¶ 27-28, 46.

<sup>&</sup>lt;sup>17</sup> See id. at 1565, ¶ 4.

<sup>&</sup>lt;sup>18</sup> Federal-State Joint Board on Universal Service, Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 6422 (2004) ("Highland Cellular Order").

<sup>&</sup>lt;sup>19</sup> See Highland Cellular Order, 19 FCC Rcd at 6438, ¶ 33.

of Alabama.<sup>20</sup> The Bureau released a public notice seeking comment on these petitions.<sup>21</sup> PSC filed amendments to the petitions to demonstrate compliance with the *Virginia Cellular Order* and the *Highland Cellular Order*.<sup>22</sup> PSC modified its petition to provide that it would offer service at the wire center level in two ALLTEL service areas in Georgia.<sup>23</sup>

- 12. <u>Georgia ALLTEL Telecomm, Inc.</u> PSC requests that the Commission redefine this ALLTEL service area in Georgia at the wire center level, because it is not able to serve this entire study area.<sup>24</sup> PSC explains that for Georgia ALLTEL Telecomm, Inc., the total area for portions of the wire centers that lie beyond the PSC service area is *de minimis*, only 5.39 square miles, and it will provide services for those portions of the wire centers through resale or roaming agreements.<sup>25</sup>
- 13. <u>ALLTEL Georgia Communications Corp.</u> PSC initially requested that the Commission redefine the ALLTEL Georgia Communications Corp. service area along the CMRS licensed boundaries instead of along wire center boundaries.<sup>26</sup> Subsequently, PSC amended its petition and proposed to provide service at the wire center level.<sup>27</sup> PSC modified its proposed redefinition for the ALLTEL

<sup>&</sup>lt;sup>20</sup> See PSC Georgia Petition at 1-2; PSC Alabama Petition at 1.

<sup>&</sup>lt;sup>21</sup> "Wireline Competition Bureau Seeks Comment on the Petition of Public Service Cellular, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Alabama," Public Notice, 18 FCC Rcd 24331 (2003); "Wireline Competition Bureau Seeks Comment on the Petition of Public Service Cellular, Inc. for Designation as an Eligible Telecommunications Carrier in the State of Georgia," Public Notice, 18 FCC Rcd 24334 (2003). The following parties filed comments: National Association of State Utility Consumer Advocates ("NASUCA"), CenturyTel of Alabama, LLC ("CenturyTel"). Cellular Telecommunications and Internet Association ("CTIA").

<sup>&</sup>lt;sup>22</sup> "Amendment to Petition" filed Sept. 16, 2003; "Second Amendment to Petition of Public Service Cellular, Inc. to be Designated as an Eligible Telecommunications Carrier in the State of Alabama." filed Feb. 20, 2004 ("Alabama Amendment"); "Amendment to Petition of Public Service Cellular, Inc. to be Designated as an Eligible Telecommunications Carrier in the State of Georgia," filed Feb. 20, 2004 ("Georgia Amendment"); "Supplement," filed May 14, 2004 ("First Georgia Supplement"); "Further Supplement," filed Dec. 15, 2004 ("Second Georgia Supplement"). In addition, PSC filed a letter amending the Georgia Petition, stating, in pertinent part: "should the FCC find that designating PSC as an ETC in the two Thomaston wire centers in conjunction with the Yatesville wire center resulted in unacceptable cream-skimming, PSC hereby amends its proposed ETC designated service area to omit the two Georgia-Alltel Thomaston wire centers from its proposed ETC service area, keeping only the Yatesville wire center from those included in the Georgia-Alltel study area." See Letter from Michael K. Kurtis, Bennet & Bennet PLLC to Marlene R. Dortch, Office of the Secretary, Federal Communications Commission, Dec. 28, 2004 ("Dec. 28 Georgia Amendment"). On January 7, 2005, PSC filed amendments to the Georgia and the Alabama petitions, deleting several CenturyTel and BellSouth wire centers from the Alabama petition and ALLTEL and BellSouth wire centers from the Georgia petition. See Second Further Supplement (Jan. 7, 2005) ("Jan. 7 GA Supplement"); Further Supplement (Jan. 7, 2005) ("Jan. 7 AL Supplement"). On January 24, 2005, PSC filed an additional amendment to the Georgia and Alabama petitions. See Further Supplement (Jan. 24, 2005) ("Jan. 24 GA Supplement"); Further Supplement (Jan. 24, 2005) ("Jan. 24 AL Supplement").

<sup>&</sup>lt;sup>23</sup> First Georgia Supplement at 3-4. PSC deleted its original request for ETC designation for the ALLTEL Georgia, Inc. study area. *Id.* PSC also amended its Georgia petition to add the balance of partially served PSTC wire centers to the ETC service area, contending that it would meet its ETC obligations by offering resold services or roaming in those areas of PSTC's service area. Georgia Amendment at 11.

<sup>&</sup>lt;sup>24</sup> Georgia Amendment at 12-14.

<sup>&</sup>lt;sup>25</sup> Georgia Amendment at 12. As amended by the Georgia Amendment, PSC's proposal is for the following Georgia ALLTEL Telecomm wire centers: Thomaston (THTNGAXA), Thomaston (THTNGAXB), and Yatesville (YTVLGAXA); however, this was further amended in the Dec. 28 Georgia Amendment, as described above in note 22.

<sup>&</sup>lt;sup>26</sup> Georgia Amendment at 12.

<sup>&</sup>lt;sup>27</sup> First Georgia Supplement at 3.

Georgia Communications Corp. service area by deleting the previously proposed partial wire centers of Fort Gaines, Toccoa, and Unadilla.<sup>28</sup> PSC also proposed to provide service to the entire Marshallville wire center.<sup>29</sup> Thus, as amended, PSC requests redefinition for the ALLTEL Georgia Communications Corp. service area, for the following wire centers: Buena Vista, Byromville, Ellaville, Ideal, Manchester, Marshallville, Montezuma, Preston, Warm Springs, and Woodland.<sup>30</sup>

- 14. <u>ALLTEL Georgia</u>, Inc. For ALLTEL Georgia, Inc., PSC initially requested that the Commission redefine the LEC service area along CMRS licensing boundaries instead of at the wire center level.<sup>31</sup> PSC subsequently amended its request to delete this entire study area.<sup>32</sup>
- 15. On April 2, 2004, the Bureau released a Public Notice seeking comment on all pending ETC petitions, including the PSC petitions.<sup>33</sup> Several parties filed comments and oppositions.<sup>34</sup>

#### III. DISCUSSION

16. After careful review of the record before us, we find that PSC has met all of the requirements set forth in section 214(e)(1) and (e)(6) to be designated an ETC for portions of its licensed service area described herein. We therefore designate PSC as an ETC for the parts of its licensed service area in Georgia and Alabama as set forth below.<sup>35</sup> In areas where PSC's proposed service areas do not cover the entire study area of a rural telephone company, *i.e*, for the Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications Corp. study areas, PSC's ETC designation shall be subject to the Georgia Public Service Commission's agreement with our new definition for the rural telephone company service areas. In all other areas, as described herein, PSC's ETC designation is effective immediately.

# A. Commission Authority to Perform the ETC Designation

17. PSC has demonstrated that the Georgia and Alabama Public Service Commissions lack jurisdiction to perform the requested ETC designation, and the Commission has authority to consider PSC's petitions under section 214(e)(6) of the Act. PSC submitted an "affirmative statement" from the Georgia Public Service Commission stating that it does not have jurisdiction to designate a CMRS carrier as an ETC.<sup>36</sup> PSC argues, and we agree, that in other ETC proceedings, the Alabama Public Service Commission stated that it does not have jurisdiction over CMRS applicants seeking ETC status, which constitutes an affirmative statement that the Alabama Public Service Commission lacks jurisdiction over PSC's current petition for ETC status.<sup>37</sup> Accordingly, we find the Georgia and Alabama Public Service

<sup>&</sup>lt;sup>28</sup> First Georgia Supplement at 3.

<sup>&</sup>lt;sup>29</sup> First Georgia Supplement at 3.

<sup>&</sup>lt;sup>30</sup> See Jan. 7 GA Supplement.

<sup>&</sup>lt;sup>31</sup> Georgia Amendment at 12-13.

<sup>&</sup>lt;sup>32</sup> First Georgia Supplement at 3-4

<sup>&</sup>lt;sup>33</sup> See "Parties are Invited to Comment on Supplemented Petitions for Eligible Telecommunications Carrier Designations," Public Notice, CC Docket No. 96-45, 19 FCC Rcd 6405 (2004).

<sup>&</sup>lt;sup>34</sup> See, e.g., Comments of Verizon (May 28, 2004) ("Verizon Comments").

<sup>&</sup>lt;sup>35</sup> We do not designate PSC as an ETC in the two Thomaston wire centers, Thomaston (THTNGAXA) and Thomaston (THTNGAXB), in the Georgia ALLTEL Telecomm, Inc. study area.

<sup>&</sup>lt;sup>36</sup> PSC Georgia Petition at 8.

<sup>&</sup>lt;sup>37</sup> PSC Alabama Petition at 5 & Exhibit 2 (*Pine Belt Cellular, Inc. and Pine Belt PCS, Inc. Petition for ETC Status and/or Clarification Regarding the Jurisdiction of the Commission to Grant ETC Status to Wireless Carriers*, (continued....)

Commissions lack jurisdiction to designate PSC as an ETC and this Commission has authority to perform the requested ETC designation in the states of Georgia and Alabama pursuant to section 214(e)(6).<sup>38</sup>

#### B. Offering and Advertising the Supported Services

18. Offering the Services Designated for Support. PSC has demonstrated through the required certifications and related filings that it now offers, or will offer upon designation as an ETC, the services supported by the federal universal service support mechanism.<sup>39</sup> As noted in its petition, PSC is a CMRS carrier, licensed by the Commission to provide personal communications services ("PCS") and cellular service. PSC provides analog and TDMA-based CMRS wireless service in the Columbus, GA/AL Metropolitan Service Area; Georgia Rural Service Areas ("RSAs") 5, 6, and 9; Alabama RSAs 5 and 8; and in the Anniston, AL, Columbus, GA, and Anderson, SC Basic Trading Areas.<sup>40</sup> PSC states that it currently provides all of the services and functionalities enumerated in section 54.101(a) of the Commission's rules throughout its PCS and cellular service areas in Georgia and Alabama.<sup>41</sup> PSC has also certified that, in compliance with the Commission's Lifeline rules, it will make available and advertise Lifeline service to qualifying low-income consumers.<sup>42</sup> PSC has also made commitments that closely track those set forth in the *Virginia Cellular Order* and the *Highland Cellular Order*, including: (1) annual reporting of unfulfilled service requests and complaints per 1,000 handsets; (2) specific commitments to provide service to requesting customers in the area for which it is designated; and (3) specific commitments to improve its network.<sup>43</sup>

19. We reject NASUCA's contention that PSC should be required to offer a calling plan that provides unlimited local calling and a monthly price comparable to the incumbent LEC. <sup>44</sup> As we have stated previously, no such requirement is necessary because the Commission has not established a minimum local usage requirement. <sup>45</sup> We are also not persuaded by the commenters' argument that PSC should be required to submit to consumer protection rules and should provide equal access. <sup>46</sup> These are

(...continued from previous page)

Docket U-4400, Order (rel. Mar. 12, 2002)); *id.*, citing *Federal-State Board on Universal Service, Farmers Cellular Telephone, Inc. Petition for Designation as an Eligible Telecommunications Carrier*, CC Docket No. 96-45, Memorandum Opinion and Order, 18 FCC Rcd 3848, 3851, ¶ 8 (2003).

<sup>&</sup>lt;sup>38</sup> 47 U.S.C. § 214(e)(6).

<sup>&</sup>lt;sup>39</sup> PSC Georgia Petition at 2; PSC Alabama Petition at 2.

<sup>&</sup>lt;sup>40</sup> PSC Georgia Petition at 2; PSC Alabama Petition at 2.

<sup>&</sup>lt;sup>41</sup> PSC Georgia Petition at 2; PSC Alabama Petition at 2. The Commission has defined the services that are to be supported by the federal universal service support mechanisms to include: (1) voice grade access to the public switched network; (2) local usage; (3) dual tone multifrequency ("DTMF") signaling or its functional equivalent; (4) single-party service or its functional equivalent; (5) access to emergency services, including 911 and enhanced 911; (6) access to operator services; (7) access to interexchange services; (8) access to directory assistance; and (9) toll limitation for qualifying low-income customers. 47 C.F.R. § 54.101(a).

<sup>&</sup>lt;sup>42</sup> PSC Georgia Petition at 13-14; PSC Alabama Petition at 10-11. *See Advantage Cellular Systems, Inc.*, CC Docket No. 96-45, Order, DA 04-3357, at note 35 (rel. Oct. 22, 2004) ("*Advantage Cellular Order*").

<sup>&</sup>lt;sup>43</sup> See Georgia Amendment at 10-11; Alabama Amendment at 9. PSC already has extensive coverage throughout its service area. Therefore, instead of building out the network, the company plans to upgrade the entire network to GSM. See Georgia Amendment at 7; Alabama Amendment at 5-6.

<sup>&</sup>lt;sup>44</sup> NASUCA Comments at 3.

<sup>&</sup>lt;sup>45</sup> See Federal-State Joint Board on Universal Service, ALLTEL Communications, Inc., CC Docket No. 96-45, Order, 19 FCC Rcd 20496, 205000-01, ¶ 11 (2004) ("ALLTEL ETC Order").

<sup>&</sup>lt;sup>46</sup> NASUCA Comments at 3; CenturyTel Comments at 8-10.

not currently ETC requirements. We note that consumer protection standards, local calling usage comparable to the incumbent LEC, and the ability to provide equal access are issues that were raised by the Joint Board on Universal Service in a pending proceeding.<sup>47</sup>

- 20. Offering the Supported Services Using a Carrier's Own Facilities. PSC has demonstrated that it satisfies the requirement of section 214(e)(1)(A) <sup>48</sup> that it offer the supported services using either its own facilities or a combination of its own facilities and resale of another carrier's services. <sup>49</sup> PSC states that it intends to provide the supported services using its cellular network infrastructure, which includes "switching, trunking, cell sites, and network equipment, together with any expansions or enhancements to that network." <sup>50</sup>
- 21. <u>Advertising the Supported Services</u>. PSC has demonstrated that it satisfies the requirement of section 214(e)(1)(B) to advertise the availability of the supported services and the related charges "using media of general distribution." In addition to its current advertising, PSC has committed to publicizing the availability of Lifeline and Link-Up services. PSC has also committed to offering improved service in unserved or underserved areas. Sa

# C. Public Interest Analysis

- 22. As explained below, we conclude that it is consistent with the public interest, convenience, and necessity to designate PSC as an ETC in Georgia and Alabama for the portion of its requested service area that is served by the non-rural telephone companies, BellSouth and CenturyTel. We conclude that it is the public interest to designate PSC as an ETC in Georgia in the requested wire centers in the ALLTEL Georgia Communications Corp. study area and for the Yatesville wire center in the Georgia ALLTEL Telecomm, Inc. study area. We also conclude that it is in the public interest to designate PSC as an ETC in Georgia in the study area served by PSC's affiliate, the rural telephone company, PSTC. We conclude that PSC has satisfied the burden of proof in establishing that its universal service offering in these areas will provide benefits to rural and non-rural consumers. As explained below, we do not, however, designate PSC as an ETC for the Thomaston wire centers in the Georgia ALLTEL Telecomm, Inc. study area. Service of the Thomaston wire centers in the Georgia ALLTEL Telecomm, Inc. study area.
- 23. <u>Non-Rural Study Areas</u>. We conclude that it is consistent with the public interest, convenience, and necessity to designate PSC as an ETC for the portion of its requested service area that is served by the non-rural telephone companies, BellSouth and CenturyTel. 55 In the *Virginia Cellular Order*

<sup>&</sup>lt;sup>47</sup> See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Recommended Decision, 19 FCC Rcd 4257, 4268-69, ¶ 28 (2004) ("Joint Board Recommended Decision").

<sup>&</sup>lt;sup>48</sup> 47 U.S.C. § 214(e)(1)(A).

<sup>&</sup>lt;sup>49</sup> PSC Georgia Petition at 14: Georgia Amendment at 11-12: PSC Alabama Petition at 10-11.

<sup>&</sup>lt;sup>50</sup> PSC Georgia Petition at 14; PSC Alabama Petition at 10-11.

<sup>&</sup>lt;sup>51</sup> 47 C.F.R. § 214 (e)(1)(B).

<sup>&</sup>lt;sup>52</sup> PSC Georgia Petition at 14; Georgia Amendment at 10; PSC Alabama Petition at 11; Alabama Amendment at 8-9. We note that ETCs must comply with state requirements in states that have Lifeline programs. *See Lifeline and Link-Up*, WC Docket No. 03-104, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8320, ¶ 29 (2003).

<sup>&</sup>lt;sup>53</sup> Georgia Amendment at 8-9; Alabama Amendment at 7-8.

<sup>&</sup>lt;sup>54</sup> Thomaston (THTNGAXA), Thomaston (THTNGAXB).

<sup>&</sup>lt;sup>55</sup> See 47 U.S.C. § 214(e)(6).

and the *Highland Cellular Order*, the Commission determined that designation of an additional ETC in a non-rural telephone company's study area based merely upon a showing that the requesting carrier complies with section 214(e)(1) of the Act does not necessarily satisfy the public interest in every instance. <sup>56</sup> In this instance, however, we conclude that PSC's public interest showing is sufficient because of the detailed commitments PSC has made to ensure that it will provide high quality service throughout the proposed rural and non-rural service areas, including its assertion that it will use universal service support to upgrade its network and deliver advanced wireless services in rural Georgia and Alabama. <sup>57</sup>

- 24. <u>Rural Study Areas.</u> We conclude that it is consistent with the public interest, convenience, and necessity to designate PSC as an ETC for its requested service area that is served by ALLTEL Georgia Communication Corp. and by PSC's affiliate rural wireline telephone company, PSTC, and for the Yatesville wire center in the Georgia ALLTEL Telecomm, Inc. study area. In considering whether designation of PSC as an ETC in these areas will serve the public interest, we have considered whether the benefits of an additional ETC in the wire centers for which PSC seeks designation outweigh any potential harms. Specifically, we weigh the benefits of increased competitive choice, the unique advantages and disadvantages of the competitor's service offering, any commitments made regarding quality of telephone service, the competitive ETC's ability to satisfy its obligation to serve the designated service areas within a reasonable time frame, and the impact of the ETC designation on the universal service fund. Service fund.
- 25. We find that PSC's universal service offering will provide benefits to customers in situations where they do not have access to a wireline telephone. Also, the mobility of PSC's wireless service will provide other benefits to consumers. For example, the mobility of telecommunications assists consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other locations. The availability of a wireless universal service offering also provides access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities. In addition, we find that the commitments PSC has made to ensure that it provides high quality service throughout the proposed rural and non-rural service areas, including its assertion that it will proceed expeditiously with the delivery of advanced wireless services in rural Georgia and Alabama, will provide benefits to customers in Georgia and Alabama. PSC will comply with CTIA's Consumer Code for Wireless Service. PSC also agrees to report to the Commission annually on the number of consumer complaints per 1,000 mobile handsets. In addition, PSC will annually submit information detailing how many requests for service from potential customers were unfulfilled for the past year.
  - 26. We conclude that the designation of PSC as an ETC in the study area served by the rural

<sup>&</sup>lt;sup>56</sup> See Virginia Cellular Order, 19 FCC Rcd at 1575, ¶ 27; Highland Cellular Order, 19 FCC Rcd at 6431-32, ¶ 21.

<sup>&</sup>lt;sup>57</sup> Georgia Amendment at 7; Alabama Amendment at 5-6.

<sup>&</sup>lt;sup>58</sup> See Appendixes C and D.

<sup>&</sup>lt;sup>59</sup> See, e.g., Highland Cellular Order, 19 FCC Rcd at 6432-35, ¶¶ 22-28; Virginia Cellular Order, 19 FCC Rcd at 1575-79, ¶¶ 28-34.

<sup>&</sup>lt;sup>60</sup> See Virginia Cellular Order, 19 FCC Rcd at 1576, ¶ 29.

<sup>&</sup>lt;sup>61</sup> Georgia Amendment at 7; Alabama Amendment at 5-6.

<sup>&</sup>lt;sup>62</sup> Georgia Amendment at 9; Alabama Amendment at 8.

<sup>&</sup>lt;sup>63</sup> Georgia Amendment at 10; Alabama Amendment at 9.

<sup>&</sup>lt;sup>64</sup> Georgia Amendment at 11: Alabama Amendment at 9.

telephone company PSTC does not raise concerns about creamskimming. Rural creamskimming occurs when competitors seek to serve only the low cost, high revenue customers in a rural telephone company's study area. PSC requests ETC status in the entire study area of PSTC. Designation of PSC as an ETC in this study area therefore does not create creamskimming concerns.

- 27. We note, however, that PSC's CMRS licensed area differs from the ALLTEL study areas, and that PSC will be unable to provide service to the entire ALLTEL study areas. For the reasons explained below, and consistent with the Commission's findings in the *Virginia Cellular Order* and the *Highland Cellular Order*, we find it appropriate to designate PSC below the study area level of this rural telephone company to the extent such designation is unlikely to create creamskimming concerns. 66
- 28. We find that designation of PSC as an ETC in certain wire centers in the ALLTEL Georgia Communications study area does not raise concerns about creamskimming and therefore is in the public interest. Our analysis of the population density of each of the affected wire centers reveals that PSC will not be serving only low-cost areas to the exclusion of high cost areas. Although there are other factors that define high cost areas, a lower population density generally indicates a higher cost area. The average population density for the ALLTEL Georgia Communications wire centers for which we grant PSC ETC designation is 28.29 persons per square mile and the average population density for the remaining wire centers is 75.84 persons per square mile. Thus the wire centers that PSC will serve have a lower population density and indicators of higher costs than the wire centers that PSC will not serve. As we found in the *Advantage Cellular Order*, such an ETC designation will not have the effect of creamskimming.
- 29. Consistent with the *Virginia Cellular Order* and the *Highland Cellular Order*, however, we find that designation of PSC in each of the wire centers for which it seeks designation in the Georgia ALLTEL Telecomm, Inc. study area raises creamskimming concerns. We note that the average population density for the Thomaston (THTNGAXA) wire center is 103.32 persons per square mile and the average population density for the Thomaston (THTNGAXB) wire center is 157.85 persons per square mile, while the average population density for the entire study area is 33.52 persons per square mile. The two Thomaston wire centers that PSC proposes to serve are among the six wire centers with

<sup>&</sup>lt;sup>65</sup> See Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, 179-180, ¶ 172 (1996) ("1996 Recommended Decision").

 $<sup>^{66}</sup>$  See Virginia Cellular Order, 19 FCC Rcd at 1578-580,  $\P\P$  32-35; Highland Cellular Order, 19 FCC Rcd at 6434-38,  $\P\P$  26-32.

<sup>&</sup>lt;sup>67</sup> The following wire centers in the ALLTEL Georgia Communications study area are at issue: Buena Vista (BNVSGAXA), Byromville (BYVLGAXA), Ellaville (ELVLGAXA), Ideal (IDELGAXA), Manchester (MNCHGAXA), Marshallville (MRVLGAXA), Montezuma (MTZMGAXA), Preston (PSTNGAXA), Warm Springs (WRSPGAXA), and Woodland (WDLDGAXA). *See* Jan. 7 GA Supplement.

<sup>&</sup>lt;sup>68</sup> See Advantage Cellular Order at note 67, citing Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, CC Docket No. 00-256, Second Report and Order and Further Notice of Proposed Rulemaking, Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Fifteenth Report and Order, Access Charge Reform for Incumbent Local Exchange Carriers Subject to Rate-of-Return Regulation, CC Docket No. 98-77, Report and Order, Prescribing the Authorized Rate of Return From Interstate Services of Local Exchange Carriers, CC Docket No. 98-166, Report and Order, 16 FCC Rcd 19613, 19628, ¶ 28 (2001), recon. pending (discussing Rural Task Force White Paper # 2 at <a href="http://www.wutc.wa.gov/rtf">http://www.wutc.wa.gov/rtf</a>).

<sup>&</sup>lt;sup>69</sup> See Advantage Cellular Order at ¶ 22

<sup>&</sup>lt;sup>70</sup> See Virginia Cellular Order, 19 FCC Rcd at 1579-580,  $\P$  35; Highland Cellular Order, 19 FCC Rcd at 6436-37,  $\P\P$  31-32.

the highest population density in the study area. PSC states, however, that should the Commission have concerns about creamskimming in the Thomaston wire centers in the Georgia ALLTEL Telecomm, Inc. study area, it will not seek designation in those two wire centers. PSC has agreed not to seek ETC designation in the two Thomaston wire centers, and to seek designation in only the Yatesville wire center in this study area. The average population density for the Yatesville wire center is 24.43 persons per square mile and the average population density for the remaining wire centers is 33.65 persons per square mile. We find that designating PSC in only the Yatesville wire center is unlikely to have the effect of creamskimming and is therefore in the public interest. Absent the two higher density wire centers that PSC agrees to withdraw, our analysis of the population density of the remaining wire center for which PSC seeks designation reveals that PSC will not be serving only low-cost areas to the exclusion of high cost areas.

- 30. CenturyTel argues that PSC entered the wireless market without the benefit of universal service support and has failed to show that such support is necessary to maintain rates that are affordable and reasonably comparable or competitive. <sup>73</sup> PSC is not, however, required to make such a showing in order to be designated an ETC.<sup>74</sup> We also reject NASUCA's argument that PSC's affiliate, PSTC, receives more than \$60 per line per month in high cost support, which makes it uneconomic to fund any additional ETCs in its territory, particularly an affiliate.<sup>75</sup> This concern has been raised by several parties in this proceeding, especially as it relates to the long-term sustainability of universal service high cost support.<sup>76</sup> While we are concerned about growth of the fund, and ensuring that the fund is sustainable, there is no evidence that designating PSC as an ETC will have a dramatic impact on the fund such that it would justify deviating from prior decisions and practices in this instance. As noted, the Commission, pursuant to a Joint Board proceeding, is evaluating whether to revise its rules for designating ETCs. We believe that it is prudent and equitable to establish rules of general applicability and apply them uniformly. To date, the Commission has not denied ETC status on the ground that the service area is already adequately served by other ETCs.
- 31. We reject CenturyTel's argument that we should defer our decision to designate PSC as a competitive ETC until we have resolved the issues in the competitive ETC High Cost support proceeding.<sup>77</sup> In response to the same argument raised in the *ALLTEL ETC Order*, we stated that we would not delay ruling on pending ETC petitions until the completion of the rulemaking proceeding.<sup>78</sup> Commenters also contend that CMRS carriers have fewer regulatory costs than wireline carriers, yet

<sup>&</sup>lt;sup>71</sup> See Dec. 28 Georgia Amendment.

<sup>&</sup>lt;sup>72</sup> See Advantage Cellular Order at ¶ 23; Highland Cellular Order, 19 FCC Rcd at 6438, ¶ 33.

<sup>&</sup>lt;sup>73</sup> CenturyTel Comments at 5.

<sup>&</sup>lt;sup>74</sup> The Commission has not required such a showing for ETC designation. *See* 47 CFR § 54.201(d). *See generally Virginia Cellular Order*; *Highland Cellular Order*.

<sup>&</sup>lt;sup>75</sup> NASUCA Comments at 4. Verizon observes that competitive ETCs receive universal service support for all customers they serve in the area in which they have ETC status, regardless of whether a customer continues to receive service from the incumbent LEC. Verizon Comments at 4. PSC estimates that it will receive approximately \$2,015,664 per year in USF support, which, according to PSC, will have minimal impact on the USF. PSC Reply Comments at 6.

<sup>&</sup>lt;sup>76</sup> See, e.g., CenturyTel Comments at 5-6; Verizon Comments at 2-6.

<sup>&</sup>lt;sup>77</sup> CenturyTel Comments at 2 (citing "Federal-State Joint Board on Universal Service Seeks Comment on Certain of the Commission's Rules Relating to High-Cost Universal Service Support," CC Docket No. 96-45, Public Notice, 19 FCC Rcd 16083 (2004)).

<sup>&</sup>lt;sup>78</sup> See ALLTEL ETC Order, 19 FCC Rcd at 20503, ¶ 16.

wireless competitive ETCs receive the same level of support as a wireline ETC, and therefore PSC should be required to demonstrate the need for universal service support. These cost issues are outside the scope of this ETC designation proceeding and instead should be raised in the Commission's pending high cost proceeding. The Commission sought comment on the *Recommended Decision* of the Federal-State Joint Board on Universal Service ("Joint Board") concerning the process for designation of ETCs and the Commission's rules regarding high cost universal service support. The outcome of that rulemaking proceeding could affect the support PSC and other competitive ETCs receive in the future and the criteria used for continued eligibility to receive support. Unless and until that occurs, however, we will continue to apply our existing rules and precedents.

- 32. We disagree with CenturyTel's and Verizon's argument that we should not grant PSC's petitions because such a grant could have a significant impact on the access charge plan established by the *CALLS Order*. <sup>82</sup> As we discussed in the *Advantage Cellular Order* and the *ALLTEL ETC Order*, the portability of support to competitive ETCs and its relation to the \$650 million target were contemplated in the *CALLS Order*, thus the CALLS plan is functioning as contemplated by the agreement. <sup>83</sup>
- 33. NASUCA observes that PSC is an affiliate of the incumbent rural LEC, PSTC. 84 Our universal service rules do not prohibit affiliation between a competitive ETC and the incumbent LEC. Because high cost support is based on embedded costs in rural areas, such affiliations could create incentives for carriers to improperly allocate joint and common costs or to inflate costs of the rural affiliate resulting in artificially high cost recovery for both the incumbent rural LEC and the affiliate competitive ETC. 85 Nothing in the current record leads us to conclude that PSC and PSTC are intending to do so. The Commission's rules prohibit such unlawful practices. 86 Furthermore, the Commission's enforcement mechanisms allow for actions against carriers that violate the Commission's rules.

#### D. Designated Service Area

34. We designate PSC as an ETC in the state of Alabama in the requested areas served by the

<sup>&</sup>lt;sup>79</sup> CenturyTel Comments at 8; NASUCA Comments at 3. *See also* Verizon Comments at 4 (observing that wireless carriers do not have loops, and thus do not have the loop costs this fund was designed to support).

<sup>&</sup>lt;sup>80</sup> Federal-State Joint Board on Universal Service, Notice of Proposed Rulemaking, CC Docket No. 96-45, 19 FCC Rcd 10800 (2004) ("ETC High Cost NPRM"); Federal-State Joint Board on Universal Service, Recommended Decision, CC Docket No. 96-45, 19 FCC Rcd 4257 (2004) ("Joint Board Recommended Decision"). In response to the Commission's referral, the Joint Board issued a Public Notice seeking comment on issues relating to the high cost universal service support mechanisms. See "Federal-State Joint Board on Universal Service Seeks Comment on Certain of the Commission's Rules Relating to High-Cost Universal Service Support," CC Docket No. 96-45, Public Notice, 19 FCC Rcd 16083 (2004).

<sup>&</sup>lt;sup>81</sup> See ETC High Cost NPRM, 19 FCC Rcd at 10801-02, ¶ 3; Virginia Cellular Order, 19 FCC Rcd at 1565, ¶ 3; Advantage Cellular Order at ¶ 25.

<sup>&</sup>lt;sup>82</sup> CenturyTel Comments at 6-7 (citing *Access Charge Reform*, Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249, and Eleventh Report and Order in CC Docket No. 96-45, 15 FCC Rcd 12962 (2000) (*subsequent history omitted*) ("*CALLS Order*")). *See also* Verizon Comments at 4.

<sup>&</sup>lt;sup>83</sup> Advantage Cellular Order at ¶ 26.

<sup>&</sup>lt;sup>84</sup> NASUCA Comments at 4.

<sup>&</sup>lt;sup>85</sup> For example, joint costs of the wireline and wireless affiliates could be improperly allocated to the wireline company entirely, which would increase that carrier's costs and thus increase its high cost support.

<sup>&</sup>lt;sup>86</sup> See, e.g., 47 C.F.R. § 32.11 (requiring Class B companies to keep Part 32 Class B accounts); 47 C.F.R. § 32.27 (affiliate transactions rules).

non-rural telephone companies BellSouth and CenturyTel, as listed in Appendix A. We designate PSC as an ETC in the state of Georgia in the requested areas served by the non-rural telephone company BellSouth, as listed in Appendix B. We designate PSC as an ETC in Georgia for the entire study area served by the rural telephone company PSTC, as listed in Appendix C. Subject to the Georgia Public Service Commission's agreement on redefining the service areas of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications, we also designate PSC as an ETC for the wire centers in Appendix D.

# E. Redefining Rural Company Service Areas

35. In order to designate PSC as an ETC in a service area that is different from the affected rural telephone company study area, we must redefine the service area of the rural telephone company in accordance with section 214(e)(5) of the Act. 87 Under section 214(e)(5), "[i]n the case of an area served by a rural telephone company, 'service area' means such company's 'study area' unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board instituted under section 410(c), establish a different definition of service area for such company."88 Under section 54.207(d)(1), the Commission must petition a state commission with the proposed definition according to that state commission's procedures.<sup>89</sup> In that petition, the Commission must provide its proposal for redefining the service area and its decision presenting reasons for adopting the new definition, including an analysis that takes into account the recommendations of the Joint Board. 90 When the Joint Board recommended that the Commission retain the current study areas of rural telephone companies as the service areas for the rural telephone companies, the Joint Board made the following observations: (1) the potential for creamskimming is minimized by retaining study areas because competitors, as a condition of eligibility, must provide services throughout the rural telephone company's study area; (2) the Act, in many respects, places rural telephone companies on a different competitive footing from other local telephone companies; and (3) there would be an administrative burden imposed on rural telephone companies by requiring them to calculate costs at something other than the study area level.91

36. In this case, however, we find that redefining the Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications service areas as proposed will not impose administrative burdens on the rural telephone companies because it will not require them to determine their costs on any basis other than the study area level. <sup>92</sup> Moreover, as discussed above, we conclude that redefining the Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications service areas at the wire center level should not result in opportunities for creamskimming. <sup>93</sup> We also note that the redefinition of these service areas, and designation of PSC as an ETC, will allow PSC to provide services to the least densely populated areas at issue and thus PSC is unlikely to compete with the incumbent LEC only in the lowest cost areas. Finally, we find no evidence that the proposed redefinition will harm the Georgia ALLTEL

<sup>&</sup>lt;sup>87</sup> 47 U.S.C. § 214(e)(5).

<sup>88</sup> Id

<sup>89 47</sup> C.F.R. § 54.207(d)(1).

<sup>&</sup>lt;sup>90</sup> *Id*.

 $<sup>^{91}</sup>$  See 1996 Recommended Decision, 12 FCC Rcd at 179-80,  $\P\P$  172-74.

<sup>&</sup>lt;sup>92</sup> See Virginia Cellular Order. 19 FCC Rcd at 1583. ¶ 44.

<sup>&</sup>lt;sup>93</sup> See Virginia Cellular Order, 19 FCC Rcd at 1582-83, ¶ 42. We note that any future competitive ETC designation for the redefined service areas of these two study areas would continue to require a finding that such designation is in the public interest, including an analysis of whether such designation would result in creamskimming.

Telecomm, Inc. and ALLTEL Georgia Communications service areas because redefining the service area of the affected rural telephone companies will not change the amount of universal service support that is available to the incumbents. House, consistent with prior rural service area redefinitions and with the recommendations of the Joint Board, we redefine each wire center in the study areas of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications as a separate service area. House of the service area of the service area of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications as a separate service area.

37. Our decision to redefine the service areas of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications is subject to the review and final agreement of the Georgia Public Service Commission in accordance with applicable requirements under section 54.207 of our rules. Accordingly, we submit our redefinition proposal to the Georgia Public Service Commission and request that it examine such proposal based on its unique familiarity with the rural areas in question. Upon the effective date of the agreement of the Georgia Public Service Commission with our redefinition of the service areas of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications, our designation of PSC as an ETC in the areas served by Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications, as set forth herein, shall also take effect. If, after its review, the Georgia Public Service Commission determines that it does not agree with the redefinition proposal herein, we will reexamine PSC's petition with regard to redefining service areas of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications.

# F. Regulatory Oversight

38. We note that PSC is required under section 254(e) of the Act to use high cost support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended" and must, under sections 54.313 and 54.314 of the Commission's rules, certify annually that it is in compliance with this requirement. On September 26, 2003, PSC certified to the Commission that, consistent with sections 54.313 and 54.314 of the Commission's rules, all federal high cost support will be used "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended" pursuant to section 254(e) of the Act in the area for which PSC is designated as an ETC. The FSC further requested that the Commission find that PSC has met the appropriate certification filing deadline in order for it to begin receiving support as of its ETC designation date. Accordingly, we treat PSC's certification as timely so that it can begin receiving universal service support as of the date of its ETC designation.

39. PSC has also committed to become a signatory to CTIA's Consumer Code for Wireless Service. 99 PSC agrees to provide the number of consumer complaints per 1,000 mobile handsets on an annual basis. 100 In addition, PSC will annually submit information detailing how many requests for

<sup>&</sup>lt;sup>94</sup> See Virginia Cellular Order, 19 FCC Rcd at 1583, ¶ 43.

<sup>&</sup>lt;sup>95</sup> See Federal State Board on Universal Service, RCC Holdings, Inc. Petition for Designation as an Eligible Telecommunications Carrier Throughout its Licensed Service Area in the State of Alabama, CC Docket No. 96-45, Memorandum Opinion and Order, 17 FCC Rcd 23532, 23547, ¶ 37 (2002).

<sup>&</sup>lt;sup>96</sup> 47 U.S.C. § 254(e); 47 C.F.R. §§ 54.313, 54.314.

<sup>&</sup>lt;sup>97</sup> See "Initial Certification Filing for Public Service Cellular, Inc. (Alabama)" from Donald E. Bond, President, Public Service Cellular, Inc. to Marlene H. Dortch, Federal Communications Commission (Sept. 26, 2003); "Initial Certification Filing for Public Service Cellular, Inc. (Georgia)" from Donald E. Bond, President, Public Service Cellular, Inc. to Marlene H. Dortch, Federal Communications Commission (Sept. 26, 2003).

<sup>&</sup>lt;sup>98</sup> See Jan. 24 GA Supplement at 2; Jan. 24 AL Supplement at 2.

<sup>&</sup>lt;sup>99</sup> Georgia Amendment at 9; Alabama Amendment at 8.

<sup>&</sup>lt;sup>100</sup> Georgia Amendment at 10: Alabama Amendment at 9.

service from potential customers were unfulfilled for the past year. <sup>101</sup> We require PSC to submit these additional data to the Commission and USAC on October 1 of each year, beginning October 1, 2005. We find that reliance on PSC's commitments is reasonable and consistent with the public interest and the Act and the Fifth Circuit decision in *Texas Office of Public Utility Counsel v. FCC.* <sup>102</sup> We conclude that fulfillment of these additional reporting requirements will further the Commission's goal of ensuring PSC satisfies its obligation under section 214(e) of the Act to provide supported services throughout its designated service area.

40. We note that the Commission may institute an inquiry on its own motion to examine any ETC's records and documentation to ensure that the high cost support it receives is being used "only for the provision, maintenance, and upgrading of facilities and services" in the areas where it is designated as an ETC. PSC will be required to provide such records and documentation to the Commission and USAC upon request. We further emphasize that if PSC fails to fulfill the requirements of the statute, our rules, and the terms of this Order after it begins receiving universal service support, the Commission has authority to revoke its ETC designation. The Commission also may assess forfeitures for violations of Commission rules and orders.

#### IV. ANTI-DRUG ABUSE ACT CERTIFICATION

41. Pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, no applicant is eligible for any new, modified, or renewed instrument of authorization from the Commission, including authorizations issued pursuant to section 214 of the Act, unless the applicant certifies that neither it, nor any party to its application, is subject to a denial of federal benefits, including Commission benefits. PSC has provided a certification consistent with the requirements of the Anti-Drug Abuse Act of 1988. We find that PSC has satisfied the requirements of the Anti-Drug Abuse Act of 1988, as codified in sections 1.2001-1.2003 of the Commission's rules.

#### V. ORDERING CLAUSES

- 42. Accordingly, IT IS ORDERED that, pursuant to the authority contained in section 214(e)(6) of the Communications Act, 47 U.S.C. § 214(e)(6), Public Service Cellular, Inc. IS DESIGNATED AN ELIGIBLE TELECOMMUNICATIONS CARRIER for portions of its licensed service area in the States of Georgia and Alabama to the extent described herein.
  - 43. IT IS FURTHER ORDERED that, pursuant to the authority contained in section 214(e)(5) of

<sup>&</sup>lt;sup>101</sup> Georgia Amendment at 11; Alabama Amendment at 9.

<sup>&</sup>lt;sup>102</sup> Texas Office of Public Utility Counsel v. FCC, 183 F.3d 393, 417-18 (5<sup>th</sup> Cir. 1999) In TOPUC v. FCC, the Fifth Circuit held that that nothing in section 214(e)(2) of the Act prohibits states from imposing additional eligibility conditions on ETCs as part of their designation process. See id. Consistent with this holding, we find that nothing in section 214(e)(6) prohibits the Commission from imposing additional conditions on ETCs when such designations fall under our jurisdiction.

<sup>&</sup>lt;sup>103</sup> 47 U.S.C. §§ 220, 403.

<sup>&</sup>lt;sup>104</sup> See Federal-State Joint Board on Universal Service, Western Wireless Corporation Petition for Preemption of an Order of the South Dakota Public Utilities Commission, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd, 15168, 15174, ¶ 15 (2000), recon. pending. See also 47 U.S.C. § 254(e).

<sup>&</sup>lt;sup>105</sup> See 47 U.S.C. § 503(b).

<sup>&</sup>lt;sup>106</sup> 47 U.S.C. § 1.2002(a); 21 U.S.C. § 862.

<sup>&</sup>lt;sup>107</sup> PSC Georgia Petition at Exhibit 4: PSC Alabama Petition at Exhibit 4.

the Communications Act, 47 U.S.C. § 214(e)(5), and sections 54.207(d) and (e) of the Commission's rules, 47 C.F.R. §§ 54.207(d) and (e), the request of Public Service Cellular, Inc. to redefine the service area of Georgia ALLTEL Telecomm, Inc. and ALLTEL Georgia Communications IS GRANTED to the extent described herein and SUBJECT TO the agreement of the Georgia Public Service Commission with the Commission's redefinition of the service area.

44. IT IS FURTHER ORDERED that a copy of this Order SHALL BE transmitted by the Office of the Secretary to the Georgia Public Service Commission, the Alabama Public Service Commission, and the Universal Service Administrative Company.

FEDERAL COMMUNICATIONS COMMISSION

Jeffrey J. Carlisle Chief, Wireline Competition Bureau

#### APPENDIX A

#### Alabama non-rural wire centers for inclusion in PSC's ETC service area

# BellSouth Telecommunications, Inc.

#### South Central Bell Telephone

Alexander City (ALCYALMT)

Anniston (ANTNALLE)

Anniston (ANTNALMT)

Anniston (ANTNALOX)

Auburn (AUBNALMA)

Eufaula (EUFLALMA)

Gadsden (GDSDALHS)

Gadsden (GDSDALRD)

Goodwater (GDWRALMA)

Hurtsboro (HRBOALOM)

Jacksonville (JCVLALMA)

Lafayette (LFYTALRS)

Ohatchee (OHTCALMA)

Opelika (OPLKALMT)

Phenix City (PHCYALFM)

Phenix City (PHCYALMA)

Slyacauga (SLYCALMT)

Talladega (TLDGALMA)

Tuskegee (TSKGALMA)

#### Southern Bell Telephone and Telegraph

Oakland (LGRNGAMA)

### CenturyTel of Alabama, LLC

Chulafinne (CHLFALXA)

Notasulga (NTSLALXA)

Wadley (WDLYALXA)

Woodland (WDLDALXA)

#### APPENDIX B

# Georgia non-rural wire centers for inclusion in PSC's ETC service area

#### BellSouth Telecommunications, Inc.

# Southern Bell Telephone and Telegraph

Americus (AMRCGAMA)

Atlanta South (GRFNGAMA)

Atlanta South (PLMTGAMA)

Barnesville (BRVIGAMA)

Columbus (CLMBGABV)

Columbus (CLMBGAMT)

Columbus (CLMBGAMW)

Concord (CNCRGAMA)

Cordele (CORDGAMA)

Cusseta (CSSTGAMA)

Forsyth (FRSYGAMA)

Fort Valley (FTVYGAMA)

Franklin (FKLNGAMA)

Gay (GAY GAMA)

Grantville (GTVLGAMA)

Greenville (GNVLGAMA)

Hamilton (HMTNGAMA)

Hogansville (HGVLGAMA)

Lagrange (LGRNGAMA)

Lumpkin (LMKNGAMA)

Luthersville (LTVLGACS)

Newnan (NWNNGAMA)

Pine Mountain (PNMTGAMA)

Richland (RCLDGAMA)

Roopville (RPVLGAMA)

Senoia (SENOGAMA)

Smithville (SMVLGAMA)

Woodbury (WDBYGAES)

Zebulon (ZBLNGAMA)

# APPENDIX C

Georgia rural telephone company study areas for inclusion in PSC's ETC service area Public Service Telephone Company (study area code 220381)

#### APPENDIX D

# Georgia rural telephone company wire centers for inclusion in PSC's ETC service area

# Georgia ALLTEL Telecomm, Inc.

Yatesville (YTVLGAXA)

# **ALLTEL Georgia Communication Corp.**

Buena Vista (BNVSGAXA) Byromville (BYVLGAXA) Ellaville (ELVLGAXA) Ideal (IDELGAXA) Manchester (MNCHGAXA) Marshallville (MRVLGAXA) Montezuma (MTZMGAXA) Preston (PSTNGAXA) Warm Springs (WRSPGAXA) Woodland (WDLDGAXA)